World Bank loan

981. SHRI RAOOF VALIULLAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that only 70 per cent of the loan amount received by the Government of India from the World Bank for State Government sponsored projects is passed on to the concerned State Governments; and

(b) if so, what are the reasons for retaining 30 per cent of the loan amount by the Central Government when the amount so received is meant for meeting the costs of projects of State Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) Government of India have a well defined arrangement for transfer of resources from the Centre to States. The Finance Commission determines the norms of devolution of funds from Central tax receipts to state revenue every five year. The developmental plans of the States which include all externally aided projects are assisted through central assistance the bulk of which is distributed on the basis of what is generally described as the revised Gadgil formula.

In determining the total resources for the country's plan, foreign assistance received is taken into account. The central assistance distributed to States therefore already takes into account the total foreign aid received. Consequently, the Central Assistance to any foreign aided project is more than what is reflected through 70 per cent additional central assistance on account of externally aided projects since it is in addition to the central assistance which is normally part of the Gadgil formula.

Loans by nationalised banks to November, 1984 riot victims

982. SHRI V. GOPALSAMY:
DR. SHYAM SUNDAR MOHAPATRA:

Will the Minister of FINANCE be pleased to state:

(a) what is the number of riot affected victims of November, 1984 riots who were given loans by the nationalised banks, bank-wise;

(b) whether the Reserve Bank or his Ministry has issued any special instructions to speed up the formalities for the release of loans to such victims;

(c) if so, when and what are the details thereof; and

(d) what is the total amount of loan assistance given by each of the nationalised banks to the riot affected victims?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) The loan assistance provided by each bank to the riot-affected persons as available from Reserve Bank of India is set out in the attached Statement. (*See below*).

(b) and (c) Reserve Bank of India *vide* its circulars dated 6th, 12th and 14th November, 1984 issued to all the scheduled commercial banks, asked the banks to provide timely assistance in the form of loans etc. to enable the riot affected persons to rehabilitate themselves. These guidelines envisage conversion and rescheduling of existing loans and provision of additional working capital facilities, waiver or short-fall in margin, relaxation in security criteria and concessional rate of interest as per RBI directives. Reserve Bank of India *vide* its circular dated December 12,

1985 advised the banks to ensure that the financial assistance is extended to them with utmost promptness by eliminating unnecessary documentation and procedural formalities. The banks were also advised that higher officials from the Head/Controlling offices should visit the branches under their control and monitor the disposal of applications and flow of assistance to the affected persons. The period for accepting the loan applications from the riot-affected persons has been extended upto 30th June, 1986 *vide* RBI circular dated 23rd December, 1985.

Statement

Financial assistance provided to the riot-affected persons by the Nationalised Banks

Sl. No.	Name of the Bank	No. of loan applications sanctioned	
		Number	Amount
			(Rs. in lakhs)
1	State Bank of India	1736	630·33
2	State Bank of Travancore	5	2·61
3	State Bank of Patiala	155	91·87
4	State Bank of Indore	218	85·57
5	Allahabad Bank	308	92·36
6	Union Bank of India	562	303·11
7	Bank of Maharashtra	102	60·88
8	Punjab National Bank	1309	386·76
9	Canara Bank	443	602·95
10	Corporation Bank	61	45·08
11	Indian Bank	108	72·38
12	Bank of India	357	194·19
13	Bank of Baroda	658	194·04
14	Uco. Bank	352	108·54
15	Central Bank of India	905	511·86
16	United Bank of India	80	43·98
17	Indian Overseas Bank	157	118·48
18	Punjab & Sind Bank	2324	1088·69
19	Dena Bank	126	57·39
20	Vijaya Bank	89	42·88
	TOTAL	10055	4733·95